

## States' Medicaid Fee-for-Service Physician Payment Policies

In order to better inform analysis of existing policies and development of future policies that affect Medicaid payments, this table documents each state's fee-for-service (FFS) physician payment policy, including how individual states set their payment rates, the type of fee schedule they currently use, and the specific adjustments and incentive payments states use to increase payments to physicians and other eligible practitioners. The tab labeled "summary" presents summary data for each state in each of these categories. The data in the summary tab are linked to state-specific tabs that present a more detailed picture of each state's Medicaid FFS physician payment policy.

State policies are dynamic. If you would like to clarify or update the data presented here, please send a brief explanation and contact information to [comments@macpac.gov](mailto:comments@macpac.gov).

### ***Methodology***

**Sources:** State Plan Amendments, regulations and administrative codes, State Plan Attachment 4.19-B, provider manuals and bulletins, Medicaid agency websites, and interviews with state officials.

Data collected by George Washington University School of Public Health and Health Services, Department of Health Policy, for MACPAC.

**Study focus:** **Medicaid** physician fee-for-service payment policy in each of the 50 states and Washington, DC.

**Timeframe:** July – August 2013.

### **Study limitations:**

- Does not include Medicaid programs in American Samoa, Guam, Northern Mariana Islands, Puerto Rico and US Virgin Islands.
- Does not include payment rates in terms of dollar figures.
- Does not include payments to physicians in Medicaid managed-care organizations.
- All data derived from publicly available sources, and in some cases, states were contacted for further information.

### ***Summary Table Definitions***

#### **Fee schedule basis (column B):**

- **Resource-Based Relative Value Scale:** This system, used in Medicare, assigns every physician service a relative value based on the complexity of the service, practice expense, and malpractice expense. The relative value is multiplied by a conversion factor, a fixed-dollar amount that determines the amount of payment. A state Medicaid program that uses Medicare-established relative value units may set its own conversion factor. ([http://www.medpac.gov/documents/MedPAC\\_Payment\\_Basics\\_13\\_Physician.pdf](http://www.medpac.gov/documents/MedPAC_Payment_Basics_13_Physician.pdf))
- **Percent of Medicare:** Some states adopt Medicare fee schedule payment rates but may adjust the rates by a certain percentage.

- State-Determined Process: See state-specific tabs for additional detail.

#### **Fee schedule type:**

- Physician (C): The general physician fee schedule.
- Advanced Practitioner (D): Practitioners who are not physicians including, for example, physician assistants, nurse practitioners, and nurse midwives.
- Other Specialty (E): Any physician specialist, such as an allergist or a surgeon, who is not paid at the general physician rate.

#### **Adjustments to Payment:**

- Advanced Practitioners (F): State pays a percentage of the physician fee schedule for certain advanced practitioners.
- Geographic (G): State makes a payment adjustment generally to reflect geographic cost differences (e.g., between rural and urban areas).
- Service Site (H): State adjusts the payment rate according to whether the patient received care in a physician's office or a facility (for example, a hospital).
- Children vs. Adults (I): State pays at a higher rate for children's services.
- Out-of-State (J): State adjusts rates for care provided in another state.
- Other (K): Physician payment adjustments not listed above that provide, for example, for differential rates for physicians working in the public or private sectors, or separate rates for certain specialties.

#### **Incentive payments:**

- Health Home (L): Section 2703 of the Affordable Care Act (ACA, P.L. 111-148, as amended) created an optional Medicaid State Plan benefit allowing states to establish Health Homes to coordinate care for Medicaid beneficiaries with chronic conditions.
- Quality or P4P (M): State offers an add-on payment if the practitioner meets quality or performance benchmarks.
- Primary Care (N): State has established a fee schedule to implement the Affordable Care Act provision requiring states increase Medicaid primary care payments to Medicare levels in 2013 and 2014.
- Primary Care Case Management (O): State pays a primary care provider a small monthly case management fee in addition to the fee-for-service treatment payment to coordinate a Medicaid beneficiary's care and to assure access.
- Academic Health Center (P): State makes supplemental payments for physicians who are on staff at teaching hospitals.
- Other (Q): This includes supplemental payments. For example, providers in New York may receive additional incentive payments for using electronic prescription systems, and providers in Wisconsin may receive incentive payments for reporting body mass index statistics. For more information, see column P.

**Enrollee Cost Sharing (R)**: The per-visit copay charged each Medicaid-covered individual.